

Mountain Green Fire Protection District
Mountain Green, Utah

Financial Statements
with Accountants' Compilation Report

For the Year Ended December 31, 2008

Mountain Green Fire Protection District

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Ulrich & Associates, PC
Certified Public Accountants

ACCOUNTANTS' COMPILATION REPORT

To the Board of
Mountain Green Fire Protection District
Mountain Green, Utah

We have compiled the accompanying financial statements of the governmental activities of the Mountain Green Fire Protection District as of and for the year ended December 31, 2008, which comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The schedule of impact fees is not a required part of the basic financial statements but is included for additional analysis. We have compiled the supplementary information, from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Ulrich & Associates, P.C.

February 23, 2009

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

As management of the Mountain Green Fire Protection District, we offer readers of the Mountain Green Fire Protection District's financial statements this narrative overview and analysis of the financial activities of the Mountain Green Fire Protection District for the fiscal year ended December 31, 2008.

Financial Highlights

Total net assets of \$266,419 is made up of \$594,912 in capital assets less related debt of \$417,876, and other net assets of \$89,383. All of the net asset amount is unrestricted.

Total long-term liabilities of the District were reduced by \$23,554.

Reporting the District as a Whole

This discussion and analysis is intended to serve as an introduction to the Mountain Green Fire Protection District's basic financial statements. The Mountain Green Fire Protection District's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Mountain Green Fire Protection District's finances, in a manner similar to a private-sector business.

The statements of net assets presents information on all of Mountain Green Fire Protection District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Mountain Green Fire Protection District is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

The statement of activities presents information showing how the District's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

The government-wide financial statements distinguish functions of the Mountain Green Fire Protection District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities, although the District has no business-type activities).

The government-wide financial statements can be found on the pages following the management's discussion and analysis.

Reporting the District's Most Significant Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Mountain Green Fire Protection District also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

Mountain Green Fire Protection District's operations are reported in the general fund.

Proprietary funds - The Mountain Green Fire Protection District has no proprietary funds.

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

Government-wide Financial Analysis

Net assets, over time, are intended to serve as an indicator of a government's financial position. In the Mountain Green Fire Protection District, assets exceeded liabilities by \$266,419, an increase of \$5,585 over the prior year. By far, the largest portion of the Mountain Green Fire Protection District's net assets is its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, etc). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Assets

	Governmental	
	2008	2007
Current and other assets	\$ 89,383	68,276
Capital assets	594,912	633,988
Total assets	684,295	702,264
Current liabilities	24,350	23,554
Long-term debt outstanding	393,526	417,877
Total liabilities	417,876	441,431
Net Assets		
Invested in capital assets, net of debt	177,036	192,557
Unrestricted	89,383	68,277
Total net assets	\$ 266,419	260,834

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

Changes in Net Assets

	Governmental	
	2008	2007
Revenues		
Property taxes	\$ 116,238	\$ 99,371
Grants	5,867	31,265
Impact fees	7,545	19,360
Lease income	520	-
Interest earnings	148	300
Total revenues	130,318	150,296
Expenses		
Administration	11,781	8,755
Professional services	3,737	-
Personnel costs	18,846	33,782
Operation, maintenance, and capital outlay	73,418	74,855
Total expenses	107,782	117,392
Interest expense	(16,951)	(17,348)
Increase (decrease) in net assets	5,585	15,556
Net assets, beginning of year	260,834	245,278
Net assets, end of year	\$ 266,419	\$ 260,834

Financial Analysis of Government Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of December 31, 2008, the District's general fund reported a fund balance of \$89,383. This represents a increase \$21,107 (30.9%) over last year's ending balance.

The general fund is the chief operating fund of the District. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

Property taxes increased 17.0% over prior year, and continue to be the largest source of revenue in the general fund, representing 89.2% of total general fund revenues. The remaining income consists of grants (4.5%), impact fees (5.8%), lease income and interest earnings. Grant income decreased -81.2% over prior year. The District expects this revenue source to fluctuate from year to year depending on the writing of grants, what is available, and what is awarded to the District.

Changes in the governmental fund include a decrease in revenues of \$19,978, which was due primarily to a decrease in grant awards. The District continues to perform fire inspections for which a small fee is collected, and they plan to continue performing these inspections in coming years.

Information on the outstanding debt obligations of the District can be found in the footnotes to this report.

General Fund Budgetary Highlights

During the fiscal year, the original general fund budget was amended from an expenditure total of \$117,649 to a final budget expenditure total of \$112,637 (-4.3%). The decrease was made due to lower than anticipated revenues.

Capital Asset and Debt Administration

Capital assets - The District invested \$11,758 in capital assets for its governmental activities as of December 31, 2008. However, the total decrease in the District's investment in fixed assets for the current year was \$39,076 due to depreciation expense exceeding new purchases.

Major capital asset events during the current fiscal year included the following:

\$7,955 for an ATV

\$2,144 for a mobile radio

\$1,659 for a truck shell

Mountain Green Fire Protection District

Management's Discussion and Analysis

December 31, 2008

Capital Asset and Debt Administration - continued

Mountain Green Fire Protection District's Capital Assets

	Governmental Activities 2008
Land	\$ 100,964
Buildings and improvements	387,057
Machinery and equipment	306,389
Office equipment	12,223
Less: Accumulated depreciation	<u>(211,721)</u>
Total capital assets	<u>\$ 594,912</u>

Additional information on the District's capital assets can be found in the footnotes of this report.

Long-term Debt

At December 31, 2008, the District had the following debt outstanding:

Mountain Green Fire Protection District's Long-term Debt

	Governmental Activities 2008
Bonds payable	\$ 236,000
Capital lease payable	170,387
Notes payable	<u>11,489</u>
Total debt	<u>\$ 417,876</u>

The District's total debt decreased by \$23,554 during the fiscal year.

Additional information on the outstanding debt obligations of the District can be found in the footnotes to this report.

BASIC FINANCIAL STATEMENTS

Mountain Green Fire Protection District

Statement of Net Assets

December 31, 2008

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 89,383
Capital assets (net of accumulated depreciation)	
Land	100,964
Buildings and improvements	295,441
Machinery and equipment	195,607
Office equipment	2,900
Total assets	<u>684,295</u>
<u>Liabilities</u>	
Bond payable - current	10,000
Capital lease payable - current	10,405
Notes payable - current	3,946
Bond payable - noncurrent	226,000
Capital lease payable - noncurrent	159,982
Notes payable - noncurrent	7,544
Total liabilities	<u>417,876</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	177,036
Unrestricted	89,383
Total net assets	<u>\$ 266,419</u>

See accompanying notes and accountants' compilation report.

For the Year Ended December 31, 2008

See accompanying notes and accountants' compilation report.

Mountain Green Fire Protection District

Balance Sheet

Governmental Funds

For the Year Ended December 31, 2008

	General Fund
<u>Assets</u>	
Cash and cash equivalents	\$ 89,383
Total assets	<u>89,383</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Total liabilities	<u>-</u>
Fund Balance	
Unreserved, reported in	
General fund	89,383
Total fund balance	<u>89,383</u>
Total liabilities and fund balance	<u>\$ 89,383</u>

See accompanying notes and accountants' compilation report.

Mountain Green Fire Protection District
Balance Sheet Reconciliation to Statement of Net Assets
December 31, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - governmental fund	\$ 89,383
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$806,633 and the accumulated depreciation is \$211,721.	594,912
Long-term liabilities, including notes and lease payable, is not due and payable in the current period and therefore is not reported in the funds.	<u>(417,876)</u>
Net assets of governmental activities	<u><u>\$ 266,419</u></u>

See accompanying notes and accountants' compilation report.

Mountain Green Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General Fund
<u>Revenues</u>	
Property taxes	\$ 116,238
Impact fees	7,545
Grant income	5,867
Lease income	520
Interest	148
Total revenues	<u>130,318</u>
<u>Expenditures</u>	
Administrative	11,781
Professional services	3,737
Personnel costs	18,846
Operation, maintenance, and capital outlay	34,342
Debt service	40,505
Total expenditures	<u>109,211</u>
Excess revenues over (under) expenditures	<u>21,107</u>
Fund balance - beginning of year	68,276
Fund balance - end of year	<u><u>\$ 89,383</u></u>

See accompanying notes and accountants' compilation report.

Mountain Green Fire Protection District
Statement of Changes Reconciliation to Statement of Activities
For the Year Ended December 31, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 21,107
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 11,758	
Depreciation	<u>(50,834)</u>	(39,076)

The governmental funds report repayment of debt principal as an expenditure. In the statement of activities, it is a reduction of the long-term debt payable.

<u>23,554</u>

Change in net assets of governmental activities

<u><u>\$ 5,585</u></u>

See accompanying notes and accountants' compilation report.

Mountain Green Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
<u>Revenues</u>				
Taxes	\$ 102,369	98,470	116,238	17,768
Impact fees	15,000	7,619	7,545	(74)
Grants	-	5,867	5,867	-
Lease	-	520	520	-
Interest	280	161	148	(13)
Total revenues	<u>117,649</u>	<u>112,637</u>	<u>130,318</u>	<u>17,681</u>
<u>Expenditures</u>				
Administrative	10,000	8,729	11,781	(3,052)
Professional services	1,500	3,200	3,737	(537)
Personnel costs	27,000	17,692	18,846	(1,154)
Operation, maintenance, and capital outlay	38,644	42,511	34,342	8,169
Debt service	40,505	40,505	40,505	-
Total expenditures	<u>117,649</u>	<u>112,637</u>	<u>109,211</u>	<u>3,426</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>21,107</u>	<u>21,107</u>
Fund balance - beginning of year	<u>68,276</u>	<u>68,276</u>	<u>68,276</u>	<u>-</u>
Fund balance - end of year	<u>\$ 68,276</u>	<u>68,276</u>	<u>89,383</u>	<u>21,107</u>

See accountants' compilation report.

NOTES TO FINANCIAL STATEMENTS

Mountain Green Fire Protection District

Notes to Financial Statements

December 31, 2008

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The District is a special service district governed by an elected board of trustees, consisting of one chairman and two board members. As required by generally accepted accounting principles, these financial statements are required to present the District and its component units. Component units are entities for which the District would be considered to be financially accountable. The District has no component units to consider for inclusion in the financial statements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, when business-type activities exist.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Mountain Green Fire Protection District

Notes to Financial Statements-Continued

December 31, 2008

Note 1 - Summary of Significant Accounting Policies - continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Mountain Green Fire Protection District
Notes to Financial Statements-Continued
December 31, 2008

Note 1 - Summary of Significant Accounting Policies - continued

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net assets or equity

1. Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the District, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectibles.

Property taxes are collected by the County Treasurer and remitted to the District shortly after collection. Property taxes are levied based on property values as of January 1 of each year, with liens posted as of the same date. Taxes are due and payable on November 1 and delinquent after 12 o'clock noon on November 30 of each year.

3. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activity column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Mountain Green Fire Protection District
Notes to Financial Statements-Continued
December 31, 2008

Note 1 - Summary of Significant Accounting Policies - continued

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building improvements	15
Equipment	7
Vehicles	5

4. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

Budgets are prepared and adopted, in accordance with State law, by the Mountain Green Fire Protection District's Board on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, and capital projects funds. Tentative budgets must be adopted on or before December 28th for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the District Board at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. The budget is adopted by fund and function. The Board may make transfers of appropriations within a fund. The legal level of budgetary control is the function level. Appropriations lapse at December 31. During the year, supplemental appropriations were made decreasing General Fund expenditures by \$5,012.

Utah State law states that expenditures being made in excess of those budgeted, is an illegally created debt in violation of the Utah Constitution. As such the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years.

Mountain Green Fire Protection District

Notes to Financial Statements-Continued

December 31, 2008

Note 2 - Stewardship, Compliance, and Accountability - continued

The law also allows for the accumulation of a fund balance in the general fund in an amount equal to the greater of 100% of current year property tax, or 25% of total general fund revenue if annual general fund budget is greater than \$100,000. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the District has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. As of December 31, 2008, the District's fund balance is within the limit allowed by law.

Note 3 - Detailed Notes on all Funds

Deposits and investments

The District maintains cash accounts with local institutions only. The District has no other investments.

Utah State law requires that District funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

The Utah Money Management Act also governs the scope of securities allowed as appropriate temporary investments for the District and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

As of December 31, 2008, the District had the following deposits and investments:

	<u>Fair Value</u>
Cash on deposit	<u>\$ 92,010</u>

Custodial credit risk - Deposits . In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to them. As of December 31, 2008, none of the \$92,010 balance was exposed to custodial credit risk.

Mountain Green Fire Protection District

Notes to Financial Statements-Continued

December 31, 2008

Note 3 - Detailed Notes on all Funds - continued

Captions on the statement of net assets related to cash and investments are as follows:

Cash and cash equivalents	\$ 89,383
Total cash	<u>\$ 89,383</u>

Capital assets

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 100,964	-	-	100,964
Total capital assets not being depreciated	100,964	-	-	100,964
Capital assets being depreciated:				
Buildings and improvements	387,057	-	-	387,057
Machinery and equipment	294,631	11,758	-	306,389
Office equipment	12,223	-	-	12,223
Total capital assets being depreciated	693,911	11,758	-	705,669
Less accumulated depreciation for:				
Buildings and improvements	74,747	16,869	-	91,616
Machinery and equipment	80,126	30,656	-	110,782
Office equipment	6,014	3,309	-	9,323
Total accumulated depreciation	160,887	50,834	-	211,721
Total capital assets, being depreciated, net	533,024	(39,076)	-	493,948
Governmental activities capital assets, net	<u>\$ 633,988</u>	<u>(39,076)</u>	<u>-</u>	<u>594,912</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

Buildings	\$ 16,869
Operations and maintenance	<u>33,965</u>
	<u>\$ 50,834</u>

Mountain Green Fire Protection District
Notes to Financial Statements-Continued
December 31, 2008

Note 3 - Detailed Notes on all Funds - continued

Capital leases

The District has entered into a lease agreement as lessee for financing the acquisition of a fire truck in governmental activities. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. Interest expense of \$9,896 was paid in relation to the lease for the year ending December 31, 2008.

The assets acquired through capital leases are as follows:

	<u>Governmental</u>
Fire truck	<u>\$ 205,586</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

<u>Year ending December 31</u>	<u>Governmental</u>
2009	\$ 19,759
2010	19,759
2011	19,759
2012	19,759
2013	19,759
2014-2018	98,794
2019-2020	<u>39,518</u>
	237,106
Less: Amounts representing interest	<u>(66,719)</u>
Present value of minimum lease payments	<u>\$ 170,387</u>

Mountain Green Fire Protection District

Notes to Financial Statements-Continued

December 31, 2008

Note 3 - Detailed Notes on all Funds - continued

Long-term debt

Revenue bonds

The government also issues bonds where the government pledges tax revenues to pay debt service. The District issued a bond in 2002 to finance a new fire station building. The 2002 lease revenue bond series original debt was \$289,795 with yearly installments due beginning in July 2003 and finalizing in 2027. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Fire station	2.500%	\$ 236,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 10,000	5,900
2010	10,000	5,650
2011	10,000	5,400
2012	11,000	5,150
2013	11,000	4,875
2014-2018	58,000	20,175
2019-2023	67,000	12,475
2024-2027	59,000	3,725
Total	\$ 236,000	63,350

Notes payable

In 2007, the District signed a note payable with First National Bank of Morgan for the purchase of a truck. The note was for \$16,065 with monthly payments of \$383 over a four year period. Notes payable outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Brush truck	6.700%	\$ 11,490

Mountain Green Fire Protection District
Notes to Financial Statements-Continued
December 31, 2008

Note 3 - Detailed Notes on all Funds - continued

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2008 was as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental activities					
Bond payable	\$ 246,000	-	(10,000)	236,000	10,000
Capital lease payable	180,250	-	(9,863)	170,387	10,405
Notes payable	15,180	-	(3,691)	11,489	3,946
Total long-term liabilities	<u>\$ 441,430</u>	<u>-</u>	<u>(23,554)</u>	<u>417,876</u>	<u>24,351</u>

Note 4 - Other information

Pension Plan Obligations

The District does not have any employees that qualify for Utah State or any other retirement program. All services are provided on a volunteer basis.

Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Contingent Liabilities

The District had no contingent liabilities as of December 31, 2008.

SUPPLEMENTARY INFORMATION

Mountain Green Fire Protection District

Schedule of Impact Fees

For the Year Ended December 31, 2008

New developments and increased population have an impact on existing structures and equipment at the government level. This often requires new or additional construction of water and sewer lines, buildings, parks, and roads within the governmental entity. To help offset the cost these additional needs and requirements, the entity may charge an impact fee. State law requires the local government to have an impact study completed, including an impact fee analysis before any fees may be charged. Additionally, the governmental entity must prepare a capital facility plan, enact impact fee legislation, and track the revenue collected by source and the capital facility expenditure it is used for. These funds must be expended within six years of collection.

Mountain Green Fire Protection District has established impact fees for the construction of a fire station. The following table indicates the source of the impact fee revenue and the remaining impact fees on hand at year end.

Impact Fees on Hand

Projects From Which Funds Were Collected	Fire Station	Year Received
Residents	\$ 5,627	FY07
Impact Fees on Hand FY 2007	\$ 5,627	
Residents	\$ 4,245	FY08
Nilson Homes	2,135	FY08
Mountain Dream Homes	388	FY08
Blackstone Homes	194	FY08
Cliff Bell Construction	194	FY08
Mtn. Haven Homes	194	FY08
T-Con Construction	194	FY08
Total Collected for FY 2008	\$ 7,545	
Less: Fire station payment	16,150	
Impact Fees on Hand YE 2008	\$ -	